

Exhibit 1

1 KENNETH BUCKFIRE, VOLUME 2
2 IN THE UNITED STATES BANKRUPTCY COURT
3 FOR THE EASTERN DISTRICT OF MICHIGAN

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7 In Re:) Chapter 9

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9 CITY of DETROIT, MICHIGAN,) Case No. 13-53846

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11 Debtor.) Hon. Steven Rhodes

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16 The Videotaped Deposition of KENNETH BUCKFIRE,

17 a Rule 30(b)(6) witness,

18 Taken at 1114 Washington Boulevard,

19 Detroit, Michigan,

20 Commencing at 8:09 a.m.,

21 Wednesday, July 16, 2014

22 Before Leisa M. Pastor, C

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Elisa Dreier Reporting Corp. (212) 557-5558
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1 KENNETH BUCKFIRE, VOLUME 2

2 APPEARANCES:

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8 Appearng on behalf of the Debtor.

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3 EDWARD SOTO, ESQ.,

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11 ALSO PRESENT:
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1 KENNETH BUCKFIRE, VOLUME 2

2 A. All right, would you please repeat the question?

3 Q. Sure, and maybe I can make it clearer. What I'm
4 trying to determine and see if you have facts on --
5 facts on is the process and the elements that went
6 into distinguishing classes 10 and 11 as compared to
7 class 9 and the recoveries that they were going to
8 get?

20 It also became clear to us that as part of
21 our financial analysis that even though we believed
22 that the claims were general unsecured claims, the
23 fact that the COPs claims were indirect obligations of
24 the City and not direct obligations to the City had to
25 be given some consideration, and that is how we ended

1 KENNETH BUCKFIRE, VOLUME 2

2 up recommending to the emergency manager that only 40
3 percent of the COPS claims be allowed because we were
4 uncertain about what their ultimate status would be
5 because again, I'm -- I'm making a legal conclusion,
6 but the claim of the COPS against the service
7 corporations would result in the service
8 corporations's claim being an asset of the COPS and
9 that was sufficiently in dispute as to a financial
10 matter as to what value would be, we felt 40 percent
11 was the appropriate allowed claim.

12 Then the distinction we had to draw with
13 the class 10 and 11 claims had to take into account
14 from a financial matter, the proposed treatment of
15 OPEB as a practical matter from the City's prospective
16 the financial obligations due to its retirees were
17 both pension and healthcare related and because we
18 were proposing to substantially impair or eliminate
19 our healthcare plans and in consideration for doing so
20 move our retirees to new insurance programs of much
21 lesser cost, that resulted in a very large claim, but
22 therefore, as a practical matter, rather than
23 throwing -- using the OPEB claim and the pension
24 claims to be pari passu with respect to recovery.
25 Part of the settlement discussion with the retiree --

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2 I'm trying to be careful --

3 MR. CULLEN: Okay.

4 A. -- from a financial prospective, we viewed those
5 claims as being part of the same pool for purposes of
6 arranging an overall recovery and therefore how that
7 recovery would be applied would be up to the
8 beneficiaries which is now reflected in the plan of
9 adjustment.

10 BY MR. SOTO:

11 Q. Let me break that down. That was a --

12 A. Yeah.

13 Q. -- pretty cool answer so --

14 A. It's complicated.

15 Q. So taking -- taking the first thing that you
16 highlighted, you highlighted the distinction between
17 direct and indirect claims and the class 9 claims you
18 viewed as indirect and there were other direct claims.
19 You said that led to you -- and again, if I'm saying
20 something wrong, you correct me, you said that allowed
21 to allowing only 40 percent of that claim.

22 So can you explain to me what analysis you
23 did of what analysis you did of what those claimants
24 you mentioned that they had claim -- it would result
25 in claims against the surface corporations is I think